

ANNUAL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE

CASINO CONTROL COMMISSION

OF THE

STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING

THIS QUARTERLY REPORT..... R. BRUCE MCKEE

OFFICIAL TITLE..... SENIOR VICE PRESIDENT, FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

MAJ 15 1994
CASINO CONTROL COMMISSION
ATLANTIC CITY, NEW JERSEY

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

LIST OF FORMS – ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1993.

| <u>TITLE</u> | <u>FORM NO.</u> |
|---|-----------------|
| Balance Sheets | CCC-205 |
| Statements of Income (Year) | CCC-210 |
| Statements of Income (Three Months) | CCC-215 |
| Statements of Changes in Stockholders' Equity | CCC-220 |
| Statements of Changes in Partners' or Proprietor's Equity | CCC-225 |
| Statements of Cash Flows | CCC-235 |
| Notes to Financial Statements | |
| Schedule of Receivables and Patrons' Checks | CCC-240 |
| Promotional Expenses and Allowances | CCC-245 |
| Statement of Conformity and Accuracy | CCC-250 |

BALANCE SHEETS

DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | DECEMBER (c) 1993 | DECEMBER (d) 1992 |
|-------------|--|----------------------|----------------------|
| | ASSETS | | |
| | Current Assets: | | |
| 1 | Cash and cash investments..... | \$ 58,024 | \$ 34,042 |
| 2 | Marketable securities..... | - | - |
| 3 | Receivables and patrons' checks (net of allowance for doubtful accounts - 1993, \$4,346; 1992, \$5,275)..... | 13,034 | 14,225 |
| 4 | Inventories..... | 4,685 | 3,073 |
| 5 | Prepaid expenses and other current assets..... | 3,986 | 3,671 |
| 6 | Total current assets..... | 79,729 | 55,011 |
| 7 | Investment, Advances, and Receivables - CRDA..... | 7,132 | 4,368 |
| 8 | Property and Equipment - Gross..... NOTE 3..... | 863,316 | 846,634 |
| 9 | (Accumulated Depreciation/Amortization)..... NOTE 3..... | (140,482) | (104,505) |
| 10 | Other Assets..... | 1,793 | 1,028 |
| 11 | Total Assets..... | \$ 811,488 | \$ 802,536 |
| | LIABILITIES AND EQUITY | | |
| | Current Liabilities: | | |
| 12 | Accounts Payable..... | \$ 3,934 | \$ 5,159 |
| 13 | Notes Payable..... | - | - |
| | Current portion of long-term debt: | | |
| 14 | Due to affiliates..... | - | - |
| 15 | Other..... NOTES 2 & 4..... | 805 | 513 |
| 16 | Income taxes payable and accrued..... | - | - |
| 17 | Other accrued expenses..... NOTE 5..... | 36,009 | 32,116 |
| 18 | Other current liabilities..... NOTE 6..... | 10,042 | 6,789 |
| 19 | Total current liabilities..... | 50,790 | 44,577 |
| | Long-Term Debt: | | |
| 20 | Due to affiliates..... NOTES 2 & 4..... | 580,464 | 550,140 |
| 21 | Other..... NOTES 2 & 4..... | 45,301 | 45,542 |
| 22 | Deferred Credits..... | - | - |
| 23 | Other Liabilities..... NOTE 7..... | 28,312 | 31,384 |
| 24 | Commitments, Contingencies and Subsequent Events..... NOTES 10 & 14..... | | |
| 25 | Total Liabilities..... | 704,867 | 671,643 |
| 26 | Stockholders', Partners', or Proprietor's Equity..... | 106,621 | 130,893 |
| 27 | Total Liabilities and Equity..... | \$ 811,488 | \$ 802,536 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes

STATEMENTS OF INCOME

TWELVE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | (c) 1993 | (d) 1992 |
|-------------|---|-------------|-------------|
| | REVENUE: | | |
| 1 | Casino..... | \$ 446,216 | \$ 417,972 |
| 2 | Rooms..... | 40,682 | 41,044 |
| 3 | Food and Beverage..... | 55,953 | 59,456 |
| 4 | Other..... | 16,656 | 16,458 |
| 5 | Total Revenue..... | 559,507 | 534,930 |
| 6 | Less: Promotional allowances..... | 56,444 | 61,250 |
| 7 | Net Revenue..... | 503,063 | 473,680 |
| | COSTS AND EXPENSES: | | |
| 8 | Cost of Goods and Services..... | 235,187 | 227,601 |
| 9 | Selling, General and Administrative..... | 135,308 | 128,387 |
| 10 | Provision for Doubtful Accounts..... | 3,472 | 6,197 |
| 11 | Total Costs and Expenses..... | 373,967 | 362,185 |
| 12 | Gross Operating Profit..... | 129,096 | 111,495 |
| 13 | Depreciation and Amortization..... | 36,858 | 36,388 |
| 14 | Charges from Affiliates other than Interest: | - | - |
| 15 | Management Fees..... | - | - |
| 15 | Other..... NOTE 8..... | 5,016 | 4,517 |
| 16 | Income (Loss) From Operations..... | 87,222 | 70,590 |
| | Other Income (Expenses): | | |
| 17 | Interest (Expenses) - Affiliates..... NOTE 4..... | (102,337) | (98,072) |
| 18 | Interest (Expenses) - External..... NOTE 4..... | (6,042) | (5,977) |
| 19 | Investment Alternative Tax and Related Income(Expense) - Net..... | (2,764) | (2,563) |
| 20 | Nonoperating Income (Expense) - Net..... NOTE 9..... | 1,382 | 923 |
| 21 | Total Other Income (Expenses)..... | (109,761) | (105,689) |
| 22 | Income (Loss) Before Income Taxes and Extraordinary Items..... | (22,539) | (35,099) |
| 23 | Provision (Credit) for Income Taxes..... | - | - |
| 24 | Income (Loss) Before Extraordinary Items..... | (22,539) | (35,099) |
| 25 | Extraordinary Items | - | - |
| 26 | Net Income (Loss)..... | \$ (22,539) | \$ (35,099) |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

THREE MONTHS ENDED DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | (c) 1993 | (d) 1992 |
|-------------|---|-------------|-------------|
| | REVENUE: | | |
| 1 | Casino..... | \$ 108,139 | \$ 98,999 |
| 2 | Rooms..... | 9,636 | 9,269 |
| 3 | Food and Beverage..... | 14,105 | 12,692 |
| 4 | Other..... | 3,730 | 4,155 |
| 5 | Total Revenue..... | 135,610 | 125,115 |
| 6 | Less: Promotional allowances..... | 14,071 | 12,102 |
| 7 | Net Revenue..... | 121,539 | 113,013 |
| | COSTS AND EXPENSES: | | |
| 8 | Cost of Goods and Services..... | 58,920 | 54,366 |
| 9 | Selling, General and Administrative..... | 34,129 | 31,529 |
| 10 | Provision for Doubtful Accounts..... | (296) | 441 |
| 11 | Total Costs and Expenses..... | 92,753 | 86,336 |
| 12 | Gross Operating Profit..... | 28,786 | 26,677 |
| 13 | Depreciation and Amortization..... | 9,371 | 9,138 |
| 14 | Charges from Affiliates other than Interest: | - | - |
| 15 | Management Fees..... | - | - |
| 16 | Other..... NOTE 8..... | 1,287 | 1,061 |
| | Income (Loss) From Operations..... | 18,128 | 16,478 |
| | Other Income (Expenses): | | |
| 17 | Interest (Expenses) - Affiliates..... NOTE 4..... | (26,029) | (24,867) |
| 18 | Interest (Expenses) - External..... NOTE 4..... | (2,509) | (2,180) |
| 19 | Investment Alternative Tax and Related Income(Expense) - Net..... | (677) | (617) |
| 20 | Nonoperating Income (Expense) - Net..... NOTE 9..... | 531 | 228 |
| 21 | Total Other Income (Expenses)..... | (28,684) | (27,436) |
| 22 | Income (Loss) Before Income Taxes and Extraordinary Items..... | (10,556) | (10,958) |
| 23 | Provision (Credit) for Income Taxes..... | - | - |
| 24 | Income (Loss) Before Extraordinary Items..... | (10,556) | (10,958) |
| 25 | Extraordinary Items..... | - | - |
| 26 | Net Income (Loss)..... | \$ (10,556) | \$ (10,958) |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

UNAUDITED
(\$ IN THOUSANDS)

NOT APPLICABLE

| LINE | DESCRIPTION | 1993 | | 1992 | |
|------|---|------------|-------------|------------|-------------|
| | | (C) SHARES | (D) DOLLARS | (E) SHARES | (F) DOLLARS |
| | Common Stock: | | | | |
| 1 | Beginning Balance (January 1)..... | | \$ | | \$ |
| 2 | Sale of Stock..... | | | | |
| 3 | | | | | |
| 4 | Ending Balance..... | | | | |
| | Preferred Stock: | | | | |
| 5 | Beginning Balance (January 1)..... | | | | |
| 6 | Sale of Stock..... | | | | |
| 7 | | | | | |
| 8 | Ending Balance..... | | | | |
| | Additional Paid-in Capital: | | | | |
| 9 | Beginning Balance (January 1)..... | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | Ending Balance..... | | | | |
| | Treasury Stock: | | | | |
| 13 | Beginning Balance (January 1)..... | | () | | () |
| 14 | Purchase of Additional Stock..... | | () | | () |
| 15 | Sale or Retirement of Stock..... | | | | |
| 16 | Ending Balance..... | | () | | () |
| | Subscriptions Receivable for Capital Stock: | | | | |
| 17 | Beginning Balance (January 1)..... | | () | | () |
| 18 | | | | | |
| 19 | | | | | |
| 20 | Ending Balance..... | | () | | () |
| | Net Unrealized Loss on Noncurrent Marketable Equity Securities: | | | | |
| 21 | Beginning Balance (January 1)..... | | () | | () |
| 22 | | | | | |
| 23 | | | | | |
| 24 | Ending Balance..... | | () | | () |
| | Retained Earnings: | | | | |
| 25 | Beginning Balance (January 1)..... | | | | |
| 26 | Prior Period Adjustments..... | | | | |
| 27 | Net Income (Loss)..... | | | | |
| 28 | Dividends..... | | () | | () |
| 29 | | | | | |
| 30 | | | | | |
| 31 | Ending Balance..... | | | | |
| 32 | Ending Stockholders' Equity..... | | \$ | | \$ |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | (c) 1993 | (d) 1992 |
|-------------|---|------------|------------|
| | Invested Capital: | | |
| 1 | Beginning Balance..... | \$ 123,745 | \$ 123,745 |
| 2 | Capital Contributions..... | 0 | 0 |
| 3 | | 0 | 0 |
| 4 | Ending Balance..... | 123,745 | 123,745 |
| | Accumulated Income (Loss): | | |
| 5 | Beginning Balance..... | 8,973 | 44,072 |
| 6 | Prior Period Adjustments..... | 0 | 0 |
| 7 | Net Income (Loss)..... | (22,539) | (35,099) |
| 8 | | 0 | 0 |
| 9 | Ending Balance..... | (13,566) | 8,973 |
| | Capital Withdrawals: | | |
| 10 | Beginning Balance..... | (1,825) | - |
| 11 | Additional Capital Withdrawals..... | - | - |
| 12 | Partnership Distribution..... NOTE 12 | (1,733) | (1,825) |
| 13 | Ending Balance..... | (3,558) | (1,825) |
| | Net Unrealized Loss On Noncurrent Marketable Equity Securities: | | |
| 14 | Beginning Balance..... | - | - |
| 15 | | - | - |
| 16 | | - | - |
| 17 | Ending Balance..... | 0 | 0 |
| 18 | Ending Partners' or Proprietor's Equity..... | \$ 106,621 | \$ 130,893 |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | (c) 1993 | (d) 1992 |
|-------------|--|-----------|-----------|
| 1 | Net Cash Provided (Used) by Operating Activities..... | \$ 34,055 | \$ 22,942 |
| | Cash Flows from Investing Activities: | | |
| 2 | Purchase of Short-Term Investment Securities..... | - | - |
| 3 | Proceeds from the Sale of Short-Term Investment Securities..... | - | - |
| 4 | Purchase Outflows for Property and Equipment..... | (16,752) | (12,111) |
| 5 | Proceeds from Disposition of Property and Equipment..... | - | - |
| 6 | Purchase of Casino Reinvestment Obligations..... | (5,408) | (5,648) |
| 7 | Purchase of Other Investments and Loans/Advances Made..... | - | - |
| 8 | Proceeds from Disposal of Investments and Collection of Advances and Long-Term Receivables..... | - | - |
| 9 | Cash Outflows to Acquire Business Entities..... | - | - |
| 10 | | - | - |
| 11 | | - | - |
| 12 | Net Cash Provided (Used) by Investing Activities..... | (22,160) | (17,759) |
| | Cash Flows from Financing Activities: | | |
| 13 | Cash Proceeds from Issuance of Short-Term Debt..... | - | - |
| 14 | Payments to Settle Short-Term Debt..... | - | - |
| 15 | Cash Proceeds from Issuance of Long-Term Debt..... | - | 8,000 |
| 16 | Costs of Issuing Debt..... | - | - |
| 17 | Payments to Settle Long-Term Debt..... | (759) | (8,675) |
| 18 | Cash Proceeds from Issuing Stock or Capital Contributions..... | - | - |
| 19 | Reduction in Debt Due To Restructuring..... | - | - |
| 20 | Subcontractor's Note Settlement..... | - | - |
| 21 | Issuance of Additional Bonds..... | 14,579 | 8,844 |
| 22 | Partnership Distribution..... | (1,733) | (1,825) |
| 23 | Net Cash Provided (Used) by Financing Activities..... | 12,087 | 6,344 |
| 24 | Net Increase (Decrease) in Cash and Cash Equivalents..... | 23,982 | 11,527 |
| 25 | Cash and Cash Equivalents at Beginning of Period..... | 34,042 | 22,515 |
| 26 | Cash and Cash Equivalents at End of Period..... | \$ 58,024 | \$ 34,042 |

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| | | | |
|----|---|-----------|-----------|
| | Cash Paid During Period for: | | |
| 27 | Interest (Net of Amount Capitalized)..... | \$ 75,972 | \$ 74,778 |
| 28 | Income Taxes..... | \$ - | \$ - |

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 1993 AND 1992

(\$ IN THOUSANDS)

| LINE (a) | DESCRIPTION (b) | (c) 1993 | (d) 1992 |
|-------------|---|-------------|-------------|
| | Net Cash Flows from Operating Activities: | | |
| 29 | Net Income (Loss)..... | \$ (22,539) | \$ (35,099) |
| | Noncash Items Included in Income and Cash Items Excluded from Income: | | |
| 30 | Depreciation and Amortization of Property and Equipment | 36,858 | 36,388 |
| 31 | Amortization of Other Assets..... | - | - |
| 32 | Amortization of Debt Discount or Premium..... | 15,745 | 13,172 |
| 33 | Deferred Income Taxes - Current..... | - | - |
| 34 | Deferred Income Taxes - Noncurrent..... | - | - |
| 35 | (Gain) Loss on Disposition of Property and Equipment..... | - | - |
| 36 | (Gain) Loss on Casino Reinvestment Obligations..... | 2,644 | 3086 |
| 37 | (Gain) Loss from Other Investment Activities..... | - | - |
| 38 | Net (Increase) Decrease in Receivables and Patrons' Checks..... | 1,191 | 2,848 |
| 39 | Net (Increase) Decrease in Inventories..... | (1,612) | (6) |
| 40 | Net (Increase) Decrease in Other Current Assets..... | (315) | (1,038) |
| 41 | Net (Increase) Decrease in Other Assets..... | (765) | (226) |
| 42 | Net Increase (Decrease) in Accounts Payables..... | (1,225) | 640 |
| 43 | Net Increase (Decrease) in Other Current Liabilities Excluding Debt..... | 7,145 | (2,248) |
| 44 | Net Increase (Decrease) in Other Noncurrent Liabilities Excluding Debt..... | (4,835) | 3,906 |
| 45 | Net Increase in Notes Payable..... | - | - |
| 46 | Costs related to lease guarantee..... | 1,763 | 1,519 |
| 47 | Net Cash Provided (Used) by Operating Activities..... | \$ 34,055 | \$ 22,942 |

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

| | | | |
|----|--|-----------|-----------|
| | Acquisition of Property and Equipment: | | |
| 48 | Additions to Property and Equipment..... | \$ 17,562 | \$ 12,382 |
| 49 | Less: Capital Lease Obligations Incurred..... | (810) | (271) |
| 50 | Cash Outflows for Property and Equipment..... | \$ 16,752 | \$ 12,111 |
| | Acquisition of Business Entities: | | |
| 51 | Property and Equipment Acquired..... | \$ N/A | \$ N/A |
| 52 | Goodwill Acquired..... | - | - |
| 53 | Net Assets Acquired Other than Cash, Goodwill, and Property and Equipment..... | - | - |
| 54 | Long-Term Debt Assumed..... | - | - |
| 55 | Issuance of Stock or Capital Invested..... | - | - |
| 56 | Cash Outflows to Acquire Business Entities..... | \$ - | \$ - |
| | Stock Issued or Capital Contributions: | | |
| 57 | Total Issuances of Stock or Capital Contributions..... | \$ N/A | \$ N/A |
| 58 | Less: Issuances to Settle Long-Term Debt..... | - | - |
| 59 | Consideration in Acquisition of Business Entities..... | - | - |
| 60 | Cash Proceeds from Issuing Stock or Capital Contributions..... | \$ - | \$ - |

TRUMP TAJ MAHAL CASINO RESORT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1993

**NOTE 1 - ORGANIZATION, OPERATIONS AND SUMMARY OF
SIGNIFICANT ACCOUNTING POLICIES**

Organization and Operation:

The accompanying consolidated financial statements include those of Trump Taj Mahal Associates (the "Partnership"), and its wholly owned subsidiary, Trump Taj Mahal Funding, Inc. (the "Company"). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Trump Taj Mahal Associates was formed on June 23, 1988, as a New Jersey limited partnership. The Partnership was converted to a general partnership in December, 1990. As a result of the Plan of Reorganization (Note 2), the current partners and their respective ownership interests are Trump Taj Mahal, Inc. ("TTMI"), 49.995%, The Trump Taj Mahal Corporation ("Trump Corp."), .01%, and TM/GP Corporation ("TMGP"), the managing general partner, and a wholly owned subsidiary of Taj Mahal Holding Corp. ("Holding"), 49.995%.

The Partnership was formed for the purpose of acquiring, constructing and operating the Trump Taj Mahal Casino Resort (the "Taj Mahal"), an Atlantic City Hotel, Casino and Convention Center Complex. On April 2, 1990, the Partnership opened the Taj Mahal to the public.

Trump Taj Mahal Funding, Inc. (the "Company") was incorporated on June 3, 1988 for the purpose of raising funds through the issuance of its 14% First Mortgage Bonds, Series A, due 1998 (the "Bonds"), the proceeds of which were loaned to the Partnership for construction of the Taj Mahal. The Bonds were subsequently exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds"), as more fully described in Note 2. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

Donald J. Trump beneficially owns 50% of the Company and the Partnership and has pledged his total ownership interest as collateral under various debt agreements.

Summary of Significant Accounting Policies:

Revenue Recognition

Casino revenues consist of the net win from gaming activities, which is the difference between gaming wins and losses. Revenues from hotel and other services are recognized at the time the related service is performed. During 1992, certain Progressive Slot Jackpot Programs were discontinued which resulted in approximately \$2,186,000 of related accruals being taken into income.

Promotional Allowances

Gross revenues include the retail value of complimentary rooms, food, beverages and other services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenues to arrive at net revenues. The cost of promotional allowances is charged to operations. Promotional allowances consisted of the following:

| | <u>Year Ended December 31,</u> | |
|-----------------|--------------------------------|-----------------|
| | <u>1993</u> | <u>1992</u> |
| | (in thousands) | |
| Rooms | \$23,079 | \$23,692 |
| Food & Beverage | 30,734 | 34,403 |
| Other | <u>2,631</u> | <u>3,155</u> |
| | <u>\$56,444</u> | <u>\$61,250</u> |

Income Taxes

The accompanying financial statements do not include a provision for Federal income taxes of the Partnership, since any income or losses allocated to the Partners are reportable for Federal income tax purposes by the Partners.

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a New Jersey corporation business tax return.

Inventories

Inventories are carried at cost on a weighted average basis.

Property and Equipment

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives range from

three to seven years for furniture, fixtures and equipment and 40 years for buildings and building improvements. Leasehold improvements are amortized over the term of the related lease commencing in the period these assets are placed in service. The interest expense associated with borrowings used to fund the purchase and construction of the Taj Mahal has been capitalized and is being amortized over the estimated useful life of the facility.

Cash and Cash Investments

Cash and cash investments include hotel and casino funds, funds on deposit with banks and temporary investments having a maturity of three months or less.

NOTE 2 - PLAN OF REORGANIZATION:

On July 16, 1991, the Company, the Partnership, and its general partners filed a voluntary petition for relief under Chapter 11 of title 11, United States Code (the "Bankruptcy Code"). On July 17, 1991 these entities filed a Plan of Reorganization, as amended (the "Plan"). The Plan was confirmed by the Bankruptcy Court on August 28, 1991 and the Plan was consummated on October 4, 1991 (the "Effective Date"). Pursuant to the terms of the Plan, the Company's 14% First Mortgage Bonds, Series A, due 1998 (the "Old Bonds") were exchanged for the Company's 11.35% Mortgage Bonds, Series A, due 1999 (the "New Bonds") and certain modifications were made to the terms of bank borrowings, and amounts owed to both Donald J. Trump and his affiliates. In addition, approximately 50% of the ownership interest in the Partnership was transferred indirectly to the holders of the Old Bonds. Since the Company has no business operations, its ability to repay the principal and interest on the New Bonds is completely dependent on the operations of the Partnership.

In accordance with AICPA Statement of Position 90-7, "Financial Reporting By Entities in Reorganization Under the Bankruptcy Code", the New Bonds when issued were stated at the present value of amounts to be paid, determined at current interest rates (effective rate of approximately 18%). The effective interest rate of the New Bonds was determined based on the trading price of the New Bonds for a specific period. Stating the debt at its approximate present value resulted in a reduction of approximately \$204,276,000 in the carrying amount of the New Bonds. This gain is being offset by increased interest costs over the period of the New Bonds to accrete such bonds to their face value at maturity. At December 31, 1993, the unaccreted balance of this discount approximated \$172,417,000. The current interest rates of other borrowings approximated their stated interest rates as of the Effective Date. The accretion amounted to approximately \$15,745,000 in 1993 and \$13,172,000 in 1992.

The restructuring resulted in an extraordinary gain, net of deferred state income tax

of \$7,155,000, totaling approximately \$259,618,000, including the \$204,276,000 discussed above and \$20,000,000 related to settlement of debts due construction subcontractors, with the balance representing a discharge of accrued interest on indebtedness. Additionally, the restructuring resulted in a discharge of related party indebtedness in the approximate amount of \$48,744,000, which has been accounted for as a contribution to capital.

NOTE 3 - PROPERTY AND EQUIPMENT

| | <u>1993</u> | <u>December 31,</u> <u>1992</u> (in thousands) |
|-----------------------------------|-------------------------|--|
| Land | \$ 37,291 | \$ 37,291 |
| Buildings | 646,653 | 639,695 |
| Furniture, fixtures and equipment | 148,401 | 144,022 |
| Leasehold improvements | <u>30,971</u> | <u>25,676</u> |
| Total | 863,316 | 846,634 |
| Less Accumulated Depreciation | <u>(140,482)</u> | <u>(104,505)</u> |
| Net Property and Equipment | <u><u>\$722,834</u></u> | <u><u>\$742,129</u></u> |

NOTE 4 - LONG TERM DEBT

Long term debt consisted of the following at December 31:

| | <u>1993</u> | <u>1992</u> (in thousands) |
|-----------------------------------|-------------------------|-------------------------------|
| <u>Long-term Portion</u> | | |
| Due to affiliates: | | |
| Trump Taj Mahal Funding, Inc. (A) | \$752,881 | \$738,302 |
| Unamortized discount | <u>(172,417)</u> | <u>(188,162)</u> |
| Net | <u><u>\$580,464</u></u> | <u><u>\$550,140</u></u> |
| Other: | | |
| Bank term loan (B) | \$ 45,138 | \$ 45,314 |
| Other | <u>163</u> | <u>228</u> |
| Total other | <u><u>\$ 45,301</u></u> | <u><u>\$ 45,542</u></u> |
| <u>Current Portion</u> | | |
| Other: | | |
| Bank term loan (B) | \$ 176 | \$ 160 |
| Other | <u>629</u> | <u>353</u> |
| Total other | <u><u>\$ 805</u></u> | <u><u>\$ 513</u></u> |

NOTE 4 - LONG TERM DEBT (continued)

Twelve months ended December 31,
1993, 1992
(in thousands)

Interest Expense Affiliates

| | | |
|---------------------------------------|------------------|------------------|
| Trump Taj Mahal Funding, Inc. (A) | \$ 84,829 | \$ 83,381 |
| Accretion - bond discount (Note 2) | 15,745 | 13,172 |
| Accretion - lease guarantee (Note 6B) | <u>1,763</u> | <u>1,519</u> |
| Total | <u>\$102,337</u> | <u>\$ 98,072</u> |

Interest Expense External

| | | |
|--------------------------------|-----------------|-----------------|
| Bank term loan (B) | \$ 4,765 | \$ 4,341 |
| Other | 1,097 | 845 |
| Working Capital line of credit | <u>180</u> | <u>791</u> |
| Total | <u>\$ 6,042</u> | <u>\$ 5,977</u> |

Three months ended December 31,
1993 1992
(in thousands)

Interest Expense Affiliates

| | | |
|---------------------------------------|------------------|------------------|
| Trump Taj Mahal Funding, Inc. (A) | \$ 21,360 | \$ 20,949 |
| Accretion - bond discount (Note 2) | 4,203 | 3,516 |
| Accretion - lease guarantee (Note 6B) | <u>466</u> | <u>402</u> |
| Total | <u>\$ 26,029</u> | <u>\$ 24,867</u> |

Interest (Income) Expense External

| | | |
|--------------------------------|-----------------|-----------------|
| Bank term loan (B) | \$ 1,537 | \$ 1,090 |
| Other | 903 | 761 |
| Working Capital line of credit | <u>69</u> | <u>329</u> |
| Total | <u>\$ 2,509</u> | <u>\$ 2,180</u> |

- (A) On the Effective Date of the Plan, each \$1,000 principal amount of the Company's 14% First Mortgage Bonds, Series A, due 1998 was exchanged for \$1,070 principal amount of the Company's 11.35% Mortgage Bonds, Series A, due November 15, 1999 together with one share of Holding's Class B, redeemable common stock, par value \$.01 per share for each \$1,000 principal amount of New Bonds. The New Bonds and Class B Stock trade together as

a Unit, and may not be transferred separately. Interest on the New Bonds is due semi-annually on each November 15 and May 15. Interest on the New Bonds must be paid in cash on each interest payment date at the rate of 9.375% per annum (the "Mandatory Cash Interest Amount"). In addition to the Mandatory Cash Interest Amount, effective May 15 1992 and annually thereafter, an additional amount of interest (the "Additional Amount") in cash or additional New Bonds or a combination thereof, is payable equal to the difference between 11.35% of the outstanding principal amount of the New Bonds and the Mandatory Cash Interest Amount previously paid. To the extent that there is excess available cash flow ("EACF") of the Partnership, as defined in the Indenture for the immediately preceding calendar year, the Company will pay the Additional Amount in cash up to 10.28% and the balance thereof may be paid at the option of the Company in cash or additional Units, provided that an equivalent amount of cash is used to purchase or redeem Units. Additional New Bonds issued on the Effective Date amounted to approximately \$7,208,000. The Additional Amounts due for the period from October 4, 1991 through May 15, 1992 and for the period from May 15, 1992 to May 15, 1993 of \$8,844,000 and \$14,579,000, respectively, were paid entirely in New Bonds. Of the \$14,869,000 Additional Amount due May 15, 1994, the Partnership expects to satisfy \$2,621,000 in cash from EACF and the \$12,248,000 balance in New Bonds.

The New Bonds are guaranteed as to payment of principal and interest by the Partnership and are secured by a mortgage on the Partnership's real property.

- (B) On November 3, 1989, the Partnership entered into a loan agreement with National Westminster Bank, U.S.A. (the "NatWest Loan") which provided financing up to \$50,000,000 for certain items of furniture, fixtures and equipment installed in the Taj Mahal. The Partnership failed to make interest and principal payments commencing October 1, 1990 and the terms of the NatWest Loan were modified as part of the Plan. The restructured NatWest Loan bears interest at 9 3/8% per annum. Principal and interest is payable monthly in the fixed amount of \$373,000 to be applied first to accrued interest and the balance to the extent available, to principal, through maturity, November 15, 1999. Additionally, on May 15 of each year (May 15, 1992 through May 15, 1999), to the extent principal is still outstanding, NatWest will receive 16.5% of the EACF of the preceding calendar year in excess of the Additional Amount, to be applied first to accrued but unpaid interest, and then to principal.

The NatWest Loan is secured by a first priority lien on the furniture, fixtures and equipment acquired with the proceeds of the NatWest Loan plus any after acquired furniture, fixtures and equipment that replaces such property, or of the same type, provided however, that the NatWest Loan may be

subordinated to a lien to secure purchase money financing of such after acquired property up to 50% of the value of such after acquired property.

In addition to the above borrowings, in November, 1991 the Partnership obtained a working capital line of credit in the amount of \$25,000,000 with a maturity of five years. Interest on advances under the line is at prime plus 4% with a minimum of 9% per annum. The Agreement provides for a 1% annual fee and 3/4% unused line fee and contains various covenants during the term of the facility. During 1993, no amounts have been outstanding under the line. During 1992, \$8,000,000 was drawn under the line and repaid.

Aggregate annual maturities of long term debt at accreted value are as follows:

| | |
|------------|-------------|
| 1994 | \$ 805,000 |
| 1995 | 356,000 |
| 1996 | 200,000 |
| 1997 | 233,000 |
| 1998 | 256,000 |
| Thereafter | 797,137,000 |

Also see Note 14, Subsequent Event

NOTE 5 - OTHER ACCRUED EXPENSES

| | <u>1993</u> | <u>December 31,</u> <u>1992</u> |
|---------------------------|------------------|------------------------------------|
| | (in thousands) | |
| Accrued Advertising | \$ 2,387 | \$ 1,980 |
| Accrued interest | 11,460 | 8,700 |
| Accrued payroll & related | 11,381 | 11,045 |
| Progressive jackpot | 2,206 | 2,210 |
| Accrued taxes | 2,912 | 2,912 |
| Other | ** 5,663 | ** 5,269 |
| Total | <u>\$ 36,009</u> | <u>\$ 32,116</u> |

** None of the individual components of Other exceed 5% of the total.

NOTE 6 - OTHER CURRENT LIABILITIES

The Partnership has engaged in certain transactions with Donald J. Trump and entities that are wholly and partially owned by Donald J. Trump. Amounts owed to (from) these affiliates at December 31 are indicated below:

| | <u>1993</u> | <u>1992</u> |
|---------------------------------------|------------------|-----------------|
| | (in thousands) | |
| Affiliates: | | |
| Donald J. Trump (A) | \$ 537 | \$ 311 |
| Trump Taj Mahal Realty ("Realty") (B) | - | - |
| Trump's Castle Associates (C) | 69 | 175 |
| Trump Plaza Associates (C) | (73) | (51) |
| Helicopter Air Service (D) | <u>(43)</u> | <u>(43)</u> |
| | <u>490</u> | <u>392</u> |
| Advance deposits | 1,046 | 802 |
| Unredeemed chip liability | 3,056 | 2,475 |
| Insurance reserves | 4,879 | 2,530 |
| Other | <u>571</u> | <u>590</u> |
| | <u>9,552</u> | <u>6,397</u> |
| Total | <u>\$ 10,042</u> | <u>\$ 6,789</u> |

- (A) Pursuant to the Plan, the Partnership has entered into a Services Agreement (the "Services Agreement"), which provides that Donald J. Trump will render to the Partnership marketing, advertising, promotional and related services with respect to the business operations of the Partnership. In consideration for the services to be rendered, the Partnership will pay an annual fee equal to 1.5% of the Partnership's earnings before interest, taxes and depreciation, as defined, less capital expenditures and partnership distributions for such year, with a minimum base fee of \$500,000. The services fee is payable monthly through November 15, 1999, although the agreement provides for earlier termination under certain events. Portions of the fee have been assigned to First Fidelity Bank in connection with the Loan to Realty which has been guaranteed by Donald J. Trump. For the years ended December 31, 1993 and 1992, the Partnership incurred \$1,571,000 and \$1,319,000, respectively, under the Services Agreement.
- (B) As part of the Plan, the leases between the Partnership and Realty were amended and consolidated. The amended lease extends the term through 2023 and provides for base rentals payable by the Partnership, prior to the

time that the NatWest Loan is paid in full, of \$2,725,000 per year, plus 3 1/2% of the EACF less the Additional Amount and, upon payment in full of the NatWest loan, increasing to include the payments to which NatWest is otherwise entitled under the amended NatWest Agreement (Note 4). The amended lease was assigned by Realty to First Fidelity Bank ("First Fidelity"). The first \$3,300,000 received by First Fidelity each year will be applied to the interest due on the Realty loan (the "Loan"). Any additional sums paid will also reduce the Partnership's guarantee (see below) and the principal amount of the Loan. The Loan is secured by a first mortgage lien on the underlying parcels owned by Realty.

Pursuant to a limited subordinated guarantee the Partnership will, under certain circumstances, reimburse First Fidelity for any deficiency in the amount owed to First Fidelity upon maturity of the Loan, up to a maximum of \$30,000,000, provided that First Fidelity first pursues its first mortgage lien on the parcels, and provided further that the New Bonds have been paid in full. Inasmuch as the Partnership's lease payments are Realty's sole source of funds to satisfy the Loan and the amount of the Loan exceeds the estimated fair market value of the land by more than \$30,000,000, the Partnership recorded the present value of the maximum guarantee amount as of the Effective Date. Discounted at 15%, a reasonable incremental cost of capital, the obligation amounted to approximately \$9,103,000, which amount has been included in restructuring costs in the accompanying financial statements. This obligation is being accreted as interest expense over the life of the New Bonds and is included in Other Liabilities. The accretion amounted to approximately \$1,763,000 and \$1,519,000 for the years ended December 31, 1993 and 1992, respectively.

As part of a proposed recapitalization, the Partnership is negotiating with First Fidelity to release its liens on the Realty property and to eliminate the above mentioned guarantee. In connection therewith, the Partnership agreed to a payment of \$1,487,500 to First Fidelity, \$952,869 of which was paid during December, 1993 with the balance payable on March 31, 1994 in consideration of First Fidelity agreeing to extend its date to complete the transaction to May 31, 1994.

- (C) The Partnership engages in various transactions with the two other Atlantic City hotel/casinos owned by Donald J. Trump. These transactions are charged at cost or normal selling price in the case of retail items and include the utilization of fleet maintenance and limousine services, certain shared professional fees and payroll costs as well as complimentary services offered to customers. During 1993, the Partnership incurred approximately \$1,100,000 and \$83,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, the Partnership charged \$256,000 and \$255,000 to

Trump Castle and Trump Plaza, respectively, for similar services. During 1992, the Partnership incurred approximately \$622,000 and \$93,000 of costs for these services from Trump Castle and Trump Plaza, respectively. In addition, the Partnership charged \$67,000 and \$309,000, to Trump Castle and Trump Plaza, respectively, for similar services.

- (D) Helicopter Air Services and Trump Shuttle provided aircraft charters and travel services to certain patrons of the Taj Mahal on behalf of the Partnership. For the years ended December 31, 1993 and 1992, the Partnership incurred no charges from Helicopter Air Services. During 1992, the Partnership incurred charges of \$29,000 from Trump Shuttle.

NOTE 7 - OTHER LIABILITIES

Other liabilities at December 31, consisted of the following (in thousands):

| | <u>1993</u> | <u>1992</u> |
|------------------------------|-----------------|-----------------|
| Deferred taxes | \$ 7,155 | \$ 7,155 |
| Insurance reserves | 1,637 | 1,837 |
| Accrued interest - Long Term | 6,672 | 9,113 |
| Accounts payable - Long Term | - | 1,000 |
| Lease guarantee (Note 6B) | 12,731 | 10,968 |
| Other | <u>117</u> | <u>1,311</u> |
| | <u>\$28,312</u> | <u>\$31,384</u> |

NOTE 8 - CHARGES FROM AFFILIATES

Twelve months ended December 31,

| | <u>1993</u> | <u>1992</u> |
|--------------------------|-----------------|-----------------|
| | (in thousands) | |
| Other: | | |
| Rent | \$ 2,725 | \$ 2,725 |
| Allocated salaries | 720 | 403 |
| Trump Services Agreement | <u>1,571</u> | <u>1,389</u> |
| | <u>\$ 5,016</u> | <u>\$ 4,517</u> |

Three months ended December 31,

| | <u>1993</u> | <u>1992</u> |
|--------------------------|-----------------|-----------------|
| | (in thousands) | |
| Other: | | |
| Rent | \$ 681 | \$ 681 |
| Allocated salaries | 259 | 110 |
| Trump Services Agreement | <u>347</u> | <u>270</u> |
| | <u>\$ 1,287</u> | <u>\$ 1,061</u> |

NOTE 9 - NON-OPERATING INCOME (EXPENSE)

| | Twelve months ended December 31, | |
|-----------------|----------------------------------|---------------|
| | <u>1993</u> | <u>1992</u> |
| | (in thousands) | |
| Interest Income | \$ 1,382 | \$ 923 |
| | <u>\$ 1,382</u> | <u>\$ 923</u> |

| | Three months ended December 31, | |
|-----------------|---------------------------------|---------------|
| | <u>1993</u> | <u>1992</u> |
| | (in thousands) | |
| Interest Income | \$ 531 | \$ 228 |
| | <u>\$ 531</u> | <u>\$ 228</u> |

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Leases and Employment Agreements

The Partnership has entered into employment agreements with certain key employees and lease agreements for land, office and warehouse space under noncancellable operating leases expiring at various dates through 2023. At December 31, 1993, minimum commitments under these arrangements are as follows:

| | |
|------------|--------------|
| 1994 | \$ 6,315,000 |
| 1995 | 5,539,000 |
| 1996 | 5,376,000 |
| 1997 | 4,078,000 |
| 1998 | 2,756,000 |
| Thereafter | 68,125,000 |

Rent expense was approximately \$4,540,000 and \$4,942,000 for the years ended December 31, 1993 and 1992, respectively.

The Partnership's Coastal Area Facilities Review Act ("CAFRA") Permit requires that certain improvements be made to another land parcel leased from Realty known as the Steel Pier. The CAFRA permit is issued by the New Jersey Department of Environmental Protection Energy ("NJDEPE") and is a condition to the operation of the Taj Mahal. These improvements were to have commenced by October, 1992 and be completed within eighteen months of commencement. The Partnership

initially proposed a concept to improve the Steel Pier, the estimated cost of which is \$30,000,000 which concept was approved by NJDEPE. The Partnership is seeking a modification of its CAFRA Permit to reduce the scope of such improvements, and has applied for an extension of the commencement and completion dates. In March of 1993, the Partnership was granted a one-year extension of the commencement and completion dates based upon an interim use of the Pier for an amusement park. The Partnership has applied for an additional one-year extension of the required commencement and completion dates of the improvements of the Steel Pier based upon the same interim use of the pier for an amusement park.

Employee Benefit Plan

Effective January 1, 1989, the Partnership established the Taj Mahal Retirement Savings Plan ("the Benefit Plan") for its employees over 21 years of age who are not covered by a collective bargaining agreement. The Benefit Plan is structured to qualify for favorable tax treatment under Section 401(k) of the Internal Revenue Code and allows eligible participants to contribute up to 15% of their salary (certain limits apply, as defined) to the Benefit Plan with a matching Partnership contribution of 50% of the first 4% of such employee salary contribution. The funds are invested by a Benefit Plan trustee. Partnership contributions for the years ended December 31, 1993 and 1992 were \$870,000 and \$841,000, respectively.

Casino License Renewal

The Company and the Partnership are subject to regulation and licensing by the New Jersey Casino Control Commission (the "CCC"). The Partnership's casino license must be renewed periodically, is not transferable, is dependent upon the financial stability of the Partnership and can be revoked at anytime. Upon revocation, suspension for more than 120 days, or failure to renew the casino license due to the Partnership's financial condition or for any other reason, the Casino Control Act (the "Act") provides that the CCC may appoint a conservator to take possession of and title to the hotel and casino's business and property, subject to all valid liens, claims and encumbrances. On March 15, 1993, the CCC renewed the casino license of the Partnership through March 31, 1995.

Legal Proceedings

The Partnership, its Partners, certain of its employees and the Company are involved in various legal proceedings incurred in the normal course of business including certain claims initiated in the Bankruptcy Court. In the opinion of management of the Partnership, the expected disposition of these proceedings would not have a material effect on the Partnership's or the Company's financial condition or results of operations.

Investment Obligation

The Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax to the New Jersey Casino Reinvestment Development Authority ("CRDA"). Commencing in 1991, and for a period of twenty-five years thereafter, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues, as defined. Investment tax credits may be obtained by making qualified investments or by the purchase of bonds. The Partnership intends to satisfy much of its investment obligation through the purchase of bonds. The bonds traditionally bear interest at below-market interest rates; accordingly, the Partnership has reduced its carrying value of the investment by 50% of their expected cost and charged operations approximately \$2,764,000 and \$2,563,000 in 1993 and 1992, respectively. The Partnership is required to satisfy its obligations to the CRDA on a quarterly basis.

NOTE 11 - JACKPOT PAYOUTS IN MERCHANDISE

The Company purchased motor vehicles and antique slot machines to be used as jackpot payouts. This merchandise was accounted for as operating expenses of the Slot Department which are included in the accompanying statements of income as costs of goods and services.

| | Twelve months ended December 31, | |
|-------------------------------|----------------------------------|------------------|
| | <u>1993</u> | <u>1992</u> |
| Merchandise - jackpot payouts | <u>\$102,892</u> | <u>\$182,425</u> |
| | Three months ended December 31, | |
| | <u>1993</u> | <u>1992</u> |
| Merchandise - jackpot payouts | <u>\$ 21,577</u> | <u>\$ 7,631</u> |

NOTE 12 - PARTNERSHIP DISTRIBUTION

The Partnership is obligated to reimburse Holding for its operating expenses which consist of directors and officers liability insurance, board of director fees and expenses, and administrative expenses. Total expenses for the years ended December 31, 1993 and 1992 approximated \$1,733,000 and \$1,825,000, respectively.

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the following financial instruments of the Company and the Partnership approximates fair value, as follows: (a) cash and cash equivalents and accrued interest payable are based on the short term nature of the financial instruments; and, (b) CRDA deposits are based on the valuation allowances to give effect to the below market interest rates.

The estimated fair values of the other financial instruments are as follows (Note 3):

| | <u>December 31,</u> (in thousands) | |
|---------------------------|---------------------------------------|-------------|
| 11.35% Mortgage Bonds (a) | <u>1993</u> | <u>1992</u> |
| Carrying Amount | \$580,464 | \$550,140 |
| Fair Value | 761,350 | 595,256 |

- (a) The fair value of the Mortgage Bonds is based on quoted market prices as of December 31, 1993 and 1992.

There are no quoted market prices for the Partnership's NatWest Loan and other debt and a reasonable estimate of their value could not be made without incurring excessive costs.

NOTE 14 - SUBSEQUENT EVENT

On March 8, 1994, Mr. Trump, the Partnership, the Registrant and Holding executed a letter with Putnam Investment Management which set forth the terms of a proposed restructuring transaction which would include (i) an exchange offer with the holders of the Bonds, (ii) an acquisition by Trump of all the Holding Class A Common Stock for a cash price of \$29.50 per share, (iii) the repayment of certain indebtedness and (iv) an equity-level financing, the proceeds of which, together with approximately \$35 million of cash on hand, would be used to fund the cash requirements for the transaction. On the same date, each of Hamilton Partners, L.P. and Prudential Securities signed a letter which indicated its agreement to the \$29.50 per share price for the Holding Class A Common Stock. There can be no assurance that such recapitalization will be consummated, or if consummated as to its ultimate terms.

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

DECEMBER 31, 1993

(\$ IN THOUSANDS)

| ACCOUNTS RECEIVABLE BALANCE | | | | |
|-----------------------------|--|------------------------|------------------|---|
| LINE (a) | DESCRIPTION (b) | ACCOUNT BALANCE (c) | ALLOWANCE (d) | ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e) |
| | Patrons' Checks: | | | |
| 1 | Undeposited Patrons' Checks..... | \$ 8,027 | | |
| 2 | Returned Patrons' Checks..... | 7,366 | | |
| 3 | Total Patrons' Checks..... | 15,393 | \$ (4,099) | \$ 11,294 |
| 4 | Hotel Receivables..... | 1,600 | (247) | 1,353 |
| | Other Receivables: | | | |
| 5 | Receivables Due From Officers and Employees..... | 0 | | |
| 6 | Receivables Due From Affiliates..... | 0 | | |
| 7 | Other Accounts and Notes Receivables..... | 387 | | |
| 8 | Total Other Receivables..... | 387 | 0 | 387 |
| 9 | Totals (Form 205)..... | \$ 17,380 | \$ (4,346) | \$ 13,034 |

| UNDEPOSITED PATRONS' CHECKS ACTIVITY | | |
|--------------------------------------|---|---------------|
| LINE (f) | DESCRIPTION (g) | AMOUNT (h) |
| 10 | Beginning Balance (January 1)..... | \$ 8,195 |
| 11 | Counter Checks Issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)..... | 261,226 |
| 12 | Checks Redeemed Prior to Deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)..... | (192,755) |
| 13 | Checks Collected Through Deposits..... | (55,076) |
| 14 | Checks Transferred to Returned Checks..... | (14,691) |
| 15 | Other Adjustments..... | 1,128 |
| 16 | Ending Balance..... | \$ 8,027 |
| 17 | "Hold" Checks Included in Balance on Line 16..... | \$ 0 |
| 18 | Provision for Uncollectible Patrons' Checks..... | \$ 3,269 |
| 19 | Provision as a Percent of Counter Checks Issued..... | 1.3% |

PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1993

| | <u>PROMOTIONAL ALLOWANCES</u> | | <u>PROMOTIONAL EXPENSE</u> | |
|----------------|-------------------------------|-------------------|----------------------------|-------------------|
| | # OF RECIPIENTS | DOLLAR AMOUNTS | # OF RECIPIENTS | DOLLAR AMOUNTS |
| Rooms | 169,521 | \$23,079 | | \$ |
| Food | 1,540,202 | 18,880 | | |
| Beverage | 4,986,701 | 9,381 | | |
| Travel | | | 33,252 | 5,032 |
| Coin | | | 3,000,463 | 39,598 |
| Coupon | 358,260 | 2,473 | | |
| Entertainment | 117,480 | 1,921 | | |
| Retail & Gifts | | | 7,258 | 296 |
| Other | <u>46,171</u> | <u>710</u> | <u>194,612</u> | <u>9,684</u> |
| Total | <u>7,218,335</u> | <u>\$56,444</u> | <u>3,235,585</u> | <u>\$54,610</u> |

FOR THE THREE MONTHS ENDED DECEMBER 31, 1993

| | <u>PROMOTIONAL ALLOWANCES</u> | | <u>PROMOTIONAL EXPENSE</u> | |
|----------------|-------------------------------|-------------------|----------------------------|-------------------|
| | # OF RECIPIENTS | DOLLAR AMOUNTS | # OF RECIPIENTS | DOLLAR AMOUNTS |
| Rooms | 43,134 | \$ 5,382 | | \$ |
| Food | 403,480 | 5,055 | | |
| Beverage | 1,316,131 | 2,489 | | |
| Travel | | | 6,335 | 1,265 |
| Coin | | | 670,165 | 9,883 |
| Coupon | 44,423 | 361 | | |
| Entertainment | 36,399 | 607 | | |
| Retail & Gifts | | | 1,698 | 55 |
| Other | <u>8,880</u> | <u>177</u> | <u>31,076</u> | <u>2,594</u> |
| Total | <u>1,852,447</u> | <u>\$14,071</u> | <u>709,274</u> | <u>\$13,797</u> |

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

:

:SS.

COUNTY OF ATLANTIC

:

R. BRUCE MCKEE

NAME

, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Annual Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.


SIGNATURE

Senior Vice President, Finance

TITLE

0548-11

LICENSE NUMBER

Subscribed and Sworn to before me
this 14th day of March, 1994

On Behalf Of:


Signature

Trump Taj Mahal Associates

Casino Licensee

MARVIN S. GUNTER
NOTARY PUBLIC OF NEW JERSEY
MY Commission Expires Jan. 11, 1993

Basis of Authority
to Take Oaths

ANNUAL EMPLOYMENT AND PAYROLL REPORT

LICENSEE TRUMP TAJ MAHAL CASINO RESORT
ADDRESS 1000 BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

NAME OF OFFICER IN CHARGE

OF CORRESPONDENCE REGARDING

THIS ANNUAL REPORT..... JAMES L. WRIGHT

OFFICIAL TITLE..... DIRECTOR OF FINANCE AND CONTROLLER

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

GROSS REVENUE ANNUAL TAX RETURN

LICENSEE TRUMP TAJ MAHAL CASINO RESORT

ADDRESS 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE YEAR ENDED DECEMBER 31, 1993

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

RECEIVED
FEU

MAR 14 1994

CASINO CONTROL
COMMISSION

NAME OF OFFICER IN CHARGE

OF CORRESPONDENCE REGARDING

THIS QUARTERLY REPORT..... RON ALCORN

OFFICIAL TITLE..... VICE PRESIDENT - CASINO FINANCE

ADDRESS..... 1000 BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

ANNUAL EMPLOYMENT AND PAYROLL REPORT SIGNATURE PAGE

FROM JANUARY 1, 1993 THROUGH DECEMBER 31, 1993

2/14/94
Date

James Wright
Signature

Director of Finance and Controller
Title

TRADING NAME OF LICENSEE: TRUMP TAJ MAHAL CASINO RESORT

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 1993

(\$ IN THOUSANDS)

| LINE | | | |
|------|--|------------|------------|
| | Casino win or (loss) | | |
| 1 | Table games revenue..... | \$ 180,952 | |
| 2 | Coin-operated devices revenue..... | 264,504 | |
| 3 | Total revenues..... | | \$ 445,456 |
| | Less - adjustment for uncollectible patrons' checks: | | |
| 4 | Provision for uncollectible patrons' checks..... | 3,269 | |
| 5 | Maximum adjustment (4% of line 3)..... | 17,818 | |
| 6 | Adjustment (the lesser of line 4 or line 5)..... | | 3,269 |
| 7 | Gross revenues (line 3 less line 6)..... | | 442,187 |
| 8 | Tax on gross revenues - current year (8% of line 7)..... | | 35,375 |
| 9 | Audit or other adjustments to tax on gross revenues in prior years..... | | 0 |
| 10 | Total tax on gross revenues (line 8 plus or minus line 9)..... | | 35,375 |
| | Deposits made for tax on current year's gross revenue: | | |
| 11 | January..... | 1,959 | |
| 12 | February..... | 2,413 | |
| 13 | March..... | 3,032 | |
| 14 | April..... | 2,606 | |
| 15 | May..... | 3,524 | |
| 16 | June..... | 2,658 | |
| 17 | July..... | 3,149 | |
| 18 | August..... | 3,904 | |
| 19 | September..... | 2,880 | |
| 20 | October..... | 2,732 | |
| 21 | November..... | 3,280 | |
| 22 | December..... | 2,308 | |
| 23 | January..... | 930 | |
| 24 | Total deposits made for tax on current year's gross revenues..... | | 35,375 |
| 25 | Settlement of prior years' tax on gross revenues resulting from audit or other adjustments - (deposits) credits..... | | 0 |
| 26 | Gross revenues tax payable (line 10 less line 24 plus or minus line 25)..... | | \$ (0) |

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:SS.
COUNTY OF ATLANTIC :

RON ALCORN
NAME

, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Gross Revenue Annual Tax Return.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Gross Revenue Annual Tax Return Instructions and Uniform Chart of Accounts.
3. The information contained in this Return is accurate to the best of my knowledge and belief.

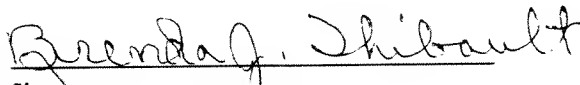

SIGNATURE RON ALCORN

Vice President - Casino Finance
TITLE

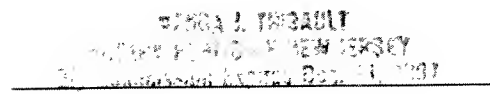
01623-11
LICENSE NUMBER

Subscribed and Sworn to before me
this 10th day of March, 1994.

On Behalf Of:


Signature

Trump Taj Mahal Casino Resort
Casino Licensee


Basis of Authority
to Take Oaths